

## Industrial Q4 2022

**2.1%**  
Vacancy Rate



**3.4M**  
YTD Net Absorption, SF



**\$6.65**  
Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q4 2022

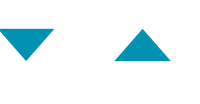
**790K**  
Jacksonville Employment



**2.6%**  
Jacksonville Unemployment Rate



**3.7%**  
U.S. Unemployment Rate



Source: FL Dept. Economic OPP

### ECONOMY

Jacksonville, part of the Northeast Florida region, recorded an unemployment rate of 2.5% in November 2022, 50 basis points (bps) lower than the region's rate one year ago. Nonagricultural employment increased by 35,900 jobs; a 4.8% year-over-year (YOY) climb to 789,700. Overall industrial-using employment grew by 5,400 new jobs over the last twelve months with the trade, transportation and utilities sector up 3,500 jobs, manufacturing employment added 1,200 jobs while construction jobs rose by 700 new positions

### SUPPLY

Overall vacancy fell 70 bps from the previous quarter and was down 150 bps YOY to a historic low of 2.1% at the close of 2022. Warehouse/distribution (W/D) supply remained limited, down 100 bps on the quarter and 150 bps YOY despite accounting for 74.6% of overall vacant space in the market. The Westside submarket posted the most substantial supply decrease, ending the year at 1.4% overall vacant, a dip of 230 bps YOY. The move-in of Total Distribution Inc. into 262,800 square feet (sf) at 4300 Bulls Bay Highway was the greatest contributor in this change. Jacksonville's pipeline remained strong, ending the year with 6.2 million square feet (msf) of new industrial supply under construction with over half scheduled to deliver in the first three months of 2023.

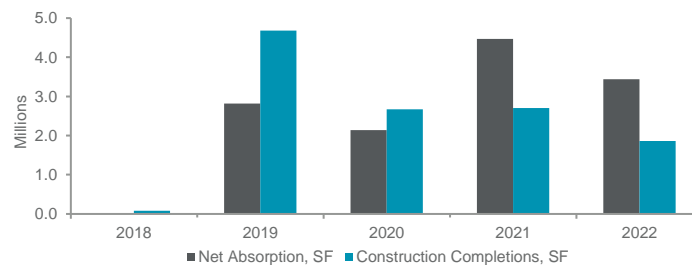
### DEMAND

Leasing activity for 2022 totaled 6.0 msf, down slightly by 6.0% YOY. The Northside continued to dominate the market, accounting for 57% of total activity throughout the year. Shoreside Logistics' new 290,000 sf lease was the largest contribution to the submarket's fourth quarter activity. More than 709,000 sf of positive net absorption occurred during fourth quarter of 2022, contributing to more than 3.4 msf of absorbed space throughout 2022. This dropped by 23.0% from the previous record-setting year. Demand continued to outpace supply, limiting deal opportunities as the market tightened further.

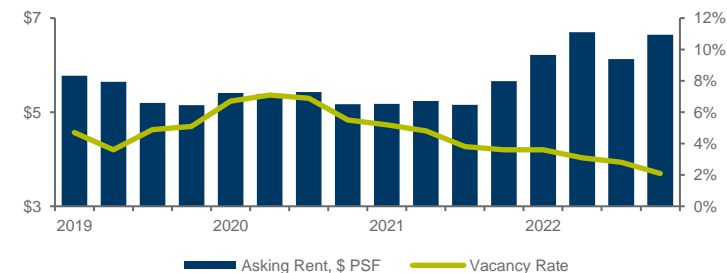
### MARKET PRICING

Overall asking rents for industrial space rose by 8.5% from the previous quarter and 17.4% YOY to end 2022 at \$6.65 per square foot (psf) triple net (NNN). One contributing factor was the new listing of 63,500 sf of manufacturing space in the Northside Submarket at 10 Van Dyck Road, asking \$12.00 psf NNN. This caused the average to surge by 101.0% to \$9.69 psf for manufacturing during the fourth quarter. W/D asking rates dipped 4.3% from Q3 as no new product delivered and several premium spaces were leased. This allowed lower-tier warehouse space to have more of any impact on the average rate. Despite the quarterly decrease, W/D rents were still up 3.1% YOY to close 2022 at \$5.45 psf NNN.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## Industrial Q4 2022

## MARKET STATISTICS BY SUBMARKET

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY(SF)	UNDER CNSTR (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Beaches	523,634	0	0	0	0	0	0	N/A	N/A	N/A
Downtown	5,801,393	55,300	1.0%	48,692	25,300	0	0	\$4.82	N/A	N/A
Northside	27,868,835	633,355	2.3%	2,109,514	3,441,891	3,126,411	1,617,939	\$12.00	N/A	N/A
Orange Park/Clay County	1,505,711	250,146	16.6%	-250,146	0	0	0	N/A	N/A	\$4.50
Southside	18,904,406	561,159	3.0%	298,663	783,273	0	85,000	N/A	\$12.06	\$5.74
St. Johns County	1,269,977	0	0	0	37,900	844,808	0	N/A	N/A	N/A
Westside	47,816,821	682,292	1.4%	1,232,427	1,735,319	2,298,864	160,000	N/A	\$9.00	\$5.85
<b>Jacksonville TOTALS</b>	<b>103,690,777</b>	<b>2,182,252</b>	<b>2.1%</b>	<b>3,439,150</b>	<b>6,023,683</b>	<b>6,270,083</b>	<b>1,862,939</b>	<b>\$9.69</b>	<b>\$11.99</b>	<b>\$5.45</b>

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

## MARKET STATISTICS BY PRODUCT TYPE

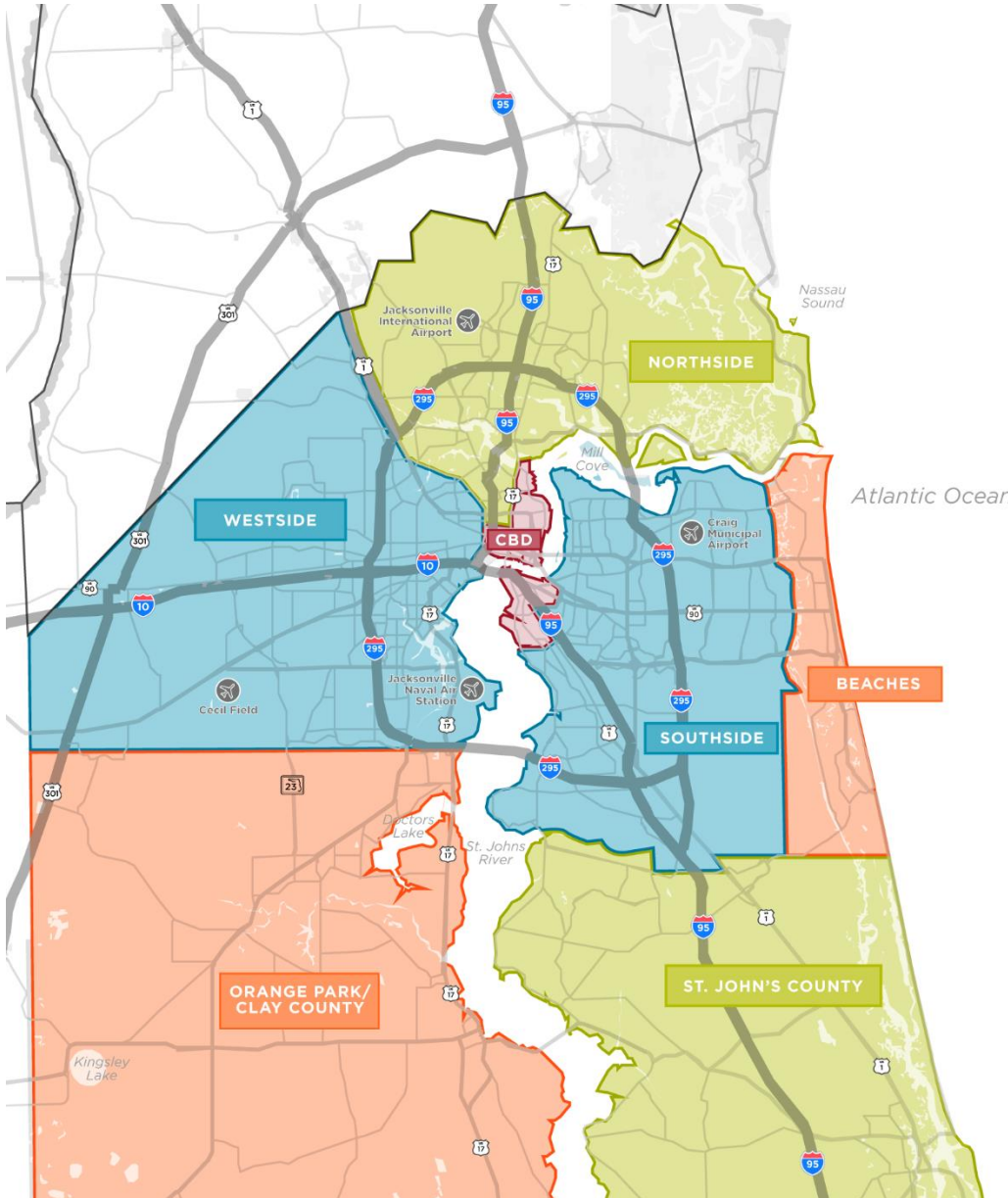
PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Manufacturing	19,222,283	394,115	2.1%	-63,455	75,085	400,508	0	0	\$9.69
Office Service	4,318,072	160,819	3.7%	-27,644	-850	193,418	0	0	\$11.99
Warehouse/Distribution	80,150,422	1,627,318	2.0%	800,238	3,364,915	5,429,757	6,270,083	1,862,939	\$5.45
<b>Jacksonville TOTALS</b>	<b>103,690,777</b>	<b>2,182,252</b>	<b>2.1%</b>	<b>709,139</b>	<b>3,439,150</b>	<b>6,023,683</b>	<b>6,270,083</b>	<b>1,862,939</b>	<b>\$6.65</b>

## KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1 Imeson Park Boulevard	Northside	Shoreside Logistics, Inc.	290,304	New
4150 Perimeter Industrial Parkway	Westside	Volkswagen	245,039	Renewal
460 Ellis Road North	Westside	Biagi Brothers	134,700	Renewal

\*Renewals are not included in Leasing Activity

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